

2005 DRAFTING REQUEST

Bill

Received: **09/29/2004**

Received By: **rnelson2**

Wanted: **As time permits**

Identical to LRB:

For: **Administration-Budget 7-0371**

By/Representing: **Caucutt**

This file may be shown to any legislator: **NO**

Drafter: **rnelson2**

May Contact:

Addl. Drafters:

Subject: **Veterans - veterans benefits**

Extra Copies:

Submit via email: **NO**

Pre Topic:

DOA:.....Caucutt, BB0105 -

Topic:

Personal loan program

Instructions:

See Attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	rnelson2 10/22/2004	jdyer 11/01/2004					State
/1			rschluet 11/01/2004		lemery 11/01/2004		State
/2	rnelson2 01/21/2005	kfollett 01/21/2005	chaugen 01/21/2005		lemery 01/21/2005		State
/3	rnelson2 01/21/2005	kfollett 01/21/2005	rschluet 01/21/2005		mbarman 01/24/2005		

FE Sent For:

<END>

2005 DRAFTING REQUEST

Bill

Received: **09/29/2004**

Received By: **rnelson2**

Wanted: **As time permits**

Identical to LRB:

For: **Administration-Budget 7-0371**

By/Representing: **Caucutt**

This file may be shown to any legislator: **NO**

Drafter: **rnelson2**

May Contact:

Addl. Drafters:

Subject: **Veterans - veterans benefits**

Extra Copies:

Submit via email: **NO**

Pre Topic:

DOA:.....Caucutt, BB0105 -

Topic:

Personal loan program

Instructions:

See Attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	rnelson2 10/22/2004	jdye 11/01/2004					State
/1			rschluet 11/01/2004		lemery 11/01/2004		State
/2	rnelson2 01/21/2005	kfollett 01/21/2005	chaugen 01/21/2005		lemery 01/21/2005		

FE Sent For:


<END>

2005 DRAFTING REQUEST

Bill

Received: 09/29/2004

Received By: rnelson2

Wanted: As time permits

Identical to LRB:

For: Administration-Budget 7-0371

By/Representing: Schaeffer

This file may be shown to any legislator: NO

Drafter: rnelson2

May Contact:

Addl. Drafters:

Subject: Veterans - veterans benefits

Extra Copies:

Submit via email: NO

Pre Topic:

DOA:.....Schaeffer, BB0105 -

Topic:

Personal loan program

Instructions:

See Attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	rnelson2 10/22/2004	jdyer 11/01/2004					State
/1		1/2 KJ 11/2 P	rschluet 11/01/2004	Ch. 1-21 AS	lemery 11/01/2004		

FE Sent For:

<END>

2005 DRAFTING REQUEST

Bill

Received: 09/29/2004

Received By: rnelson2

Wanted: As time permits

Identical to LRB:

For: Administration-Budget 7-0371

By/Representing: Schaeffer

This file may be shown to any legislator: NO

Drafter: rnelson2

May Contact:

Addl. Drafters:

Subject: Veterans - veterans benefits

Extra Copies:

Submit via email: NO

Pre Topic:

DOA:.....Schaeffer, BB0105 -

Topic:

Personal loan program

Instructions:

See Attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
--------------	----------------	-----------------	--------------	----------------	------------------	-----------------	-----------------

/?	rnelson2	1/1 jkd					
----	----------	---------	--	--	--	--	--

FE Sent For:

<END>

2003-05 Budget Bill Statutory Language Drafting Request

- Topic: Personal Loan Program changes
- Tracking Code: BB0105
- SBO team: Ops
- SBO analyst: Carole Schaeffer
 - Phone: 7-0371
 - Email: carole.schaeffer@doa.state.wi.us
- Agency acronym: DVA
- Agency number: 485

DIN 6207 and 6213 Personal Loan Program Changes

PERSONAL LOAN PROGRAM CHANGES

DIN6207: As part of the 10-year Veterans Trust Fund solvency plan, the department is proposing to modify the Personal Loan Program (PLP) as described below. Statutory language amending the program has been drafted by the Legislative Reference Bureau as LRB-0119/P1. A copy of LRB-0119/P1 is provided on the next page.

As currently drafted, the changes to PLP include the following:

1. Limit total VTF funded PLP loans to \$2.5 million per fiscal year.
2. VTF funded PLP loans would be limited to the following:
 - a. \$5,000 maximum loan
 - c. Maximum of 10-year term
 - d. Guarantor and mortgage backed loans

DIN 6213: The department is requesting the creation of two new SEG continuing appropriations with zero budget authority and Chapter 45 statutory language that would create a "home equity" loan option for veterans within the PLP. These loans would only be made, and the funding available, if the loans can either be sold to another agency under s. 45.356 (9) (b) Wis. Stats., or funded from moneys borrowed from the Mortgage Loan Repayment Fund (MLRF) under s. 45.356 (9) (a) Wis. Stats. The loans funded from these dollars would be limited to a maximum loan of \$25,000, would be secured by a mortgage and have maximum term of 10 years. The Secretary of the Department of Veterans Affairs would have the authority to set interest rates and the maximum amount of a loan. A continuing appropriation is being requested so that the department could easily obtain budget authority based on the amount of funding obtained from the MLRF, as approved by the State Building Commission, or as stated in a legally binding agreement by another agency. The department currently has authority to sell loans to the State of Wisconsin Investment Board and is currently having discussion with the Board of Commissioners of Public Lands about purchasing veteran home equity loans. Under the proposed loan program, the department would make the loans and then sell them to the other agency. The department would service the loans and add a markup on the interest rate charged to veterans to pay for servicing costs and an insurance reserve to cover losses due to defaults. All interest and principle owed to the other agency would be passed directly to it, including any prepayments. Loans would only be made provided there was available funding.



State of Wisconsin
2005 - 2006 LEGISLATURE

LRB-0324/

RPN:.....

DOA:.....Schaeffer, BB0105 - Personal loan program

FOR 2005-07 BUDGET -- NOT READY FOR INTRODUCTION

1 AN ACT ...; relating to: the budget.

Analysis by the Legislative Reference Bureau
VETERANS AND MILITARY AFFAIRS

Under current law, DVA may lend a veteran, a veteran's unremarried surviving spouse, or a deceased veteran's child up to \$25,000. The use of the loan is not restricted, but the loan must be repaid within ten years. If the loan exceeds \$5,000, the loan must be secured by a mortgage on real estate located in this state.

This bill limits the amount of the loans to \$5,000, except that a home equity loan of up to \$25,000 may be given to a veteran. The home equity loan must be secured by a mortgage. Under the bill, DVA may prescribe loan conditions, including the interest rate and maximum amount of the loan, but the term of the loan may not exceed 10 years. The bill requires DVA to service the loans and include in the interest rate an amount necessary to pay for servicing costs and an insurance reserve to cover losses due to defaults on the loans.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

2 SECTION 1. 20.485 (2) (qm) of the statutes is created to read:

20.485 (2) (qm) *Home equity personal loans*. As a continuing appropriation, the amounts in the schedule for the provision of home equity loans to veterans under s. 45.356 (2m).

NOTE: BUD
SECTION 2. 20.485 (2) (gs) of the statutes is created to read:

20.485 (2) (gs) *Home equity personal loan repayments*. All moneys received as repayments of home equity loans to veterans under s. 45.356 (2m) to repay the mortgage loan repayment fund and to provide home equity loans to veterans under s. 45.356 (2m).

NOTE: BUD
SECTION 3. 45.356 (2m) of the statutes is created to read:

45.356 (2m) The department may lend a veteran not more than \$25,000 based on the veteran's equity in his or her residence as security for the loan. The loan shall be evidenced by a promissory note and secured by a mortgage on real estate located in this state. The department may prescribe loan conditions, including the interest rate and maximum amount of the loan, but the term of the loan may not exceed 10 years. The department shall service the loans and shall include in the interest rate an amount necessary to pay for servicing costs and an insurance reserve to cover losses due to defaults on these loans. The department shall ensure that the proceeds of any loan made under this section shall first be applied to pay any delinquent child support or maintenance payments and then to pay any past support, medical expenses, or birth expenses. Loans may only be made under this subsection only if the loans may be sold to another agency under sub. (9) (b) or funded from moneys borrowed under sub. (9) (a).

Insert 2-22
(END)

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

Inserts

1 **AN ACT to amend** 45.356 (2), 45.356 (3), 45.356 (8) and 45.356 (12); and **to repeal**
2 **and recreate** 45.356 (11) of the statutes; **relating to:** personal loans to
3 veterans.

Analysis by the Legislative Reference Bureau

This is a preliminary draft. An analysis will be provided in a later version.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

4 **SECTION 1.** 45.356 (2) of the statutes is amended to read:

5 45.356 (2) The department may lend a veteran, a veteran's unremarried
6 surviving spouse, or a deceased veteran's child not more than \$25,000 [✓] \$5,000 or a
7 lesser amount established by the department under sub. (10). ⁽²²⁾ The department may
8 prescribe loan conditions, but the term of the loan may not exceed 10 years. The
9 department shall ensure that the proceeds of any loan made under this section shall
10 first be applied to pay any delinquent child support or maintenance payments and
11 then to pay any past support, medical expenses, or birth expenses.

(end ins 2-8)

Insert
2-8

Insert 7-22

1 **SECTION 2.** 45.356 (3) of the statutes is amended to read:

2 45.356 (3) The department may lend not more than ~~\$25,000~~ \$5,000, or a lesser
3 amount established by the department under sub. (10), to a veteran's remarried
4 surviving spouse or to the parent of a deceased veteran's child for the education of
5 a child.

6 **SECTION 3.** 45.356 (8) of the statutes is amended to read:

7 45.356 (8) No person may receive a loan under this section in an amount that,
8 when added to the balance outstanding on the person's existing loans under s. 45.351
9 (2), 1995 stats., and s. 45.356, 1995 stats., would result in a total indebtedness to the
10 department of more than ~~\$25,000~~ \$5,000.

11 **SECTION 4.** 45.356 (11) of the statutes is repealed and recreated to read:

12 45.356 (11) The interest rate for loans under this section shall be 6 percent per
13 year.

14 **SECTION 5.** 45.356 (12) of the statutes is amended to read:

15 45.356 (12) Each loan made under this section, ~~except a loan of \$5,000 or less~~
16 ~~made to an applicant whose total indebtedness for loans made under this section is~~
17 ~~\$5,000 or less, shall be evidenced by a promissory note and secured by a mortgage~~
18 ~~on real estate located in this state. A loan of \$5,000 or less made to an applicant~~
19 ~~whose total indebtedness for loans made under this section is \$5,000 or less shall be~~
20 evidenced by a promissory note and secured by a guarantor or by a mortgage on real
21 estate located in this state. A mortgage securing a loan made under this section is
22 acceptable if the applicant has equity in the property subject to the mortgage equal
23 to or exceeding a minimum amount that the department establishes by rule.

(end ins)



State of Wisconsin
2005 - 2006 LEGISLATURE

LRB-0324/1

RPN:jld:rs

today

8/15/05

DOA:.....Schaeffer, BB0105 - Personal loan program

FOR 2005-07 BUDGET -- NOT READY FOR INTRODUCTION

Do Not Gen

unless adjusted by the departments

1 AN ACT ...; relating to: the budget.

Analysis by the Legislative Reference Bureau

VETERANS AND MILITARY AFFAIRS

Under current law, DVA may lend a veteran, a veteran's unremarried surviving spouse, or a deceased veteran's child up to \$25,000. The use of the loan is not restricted, but the loan must be repaid within ten years. If the loan exceeds \$5,000, the loan must be secured by a mortgage on real estate located in this state.

This bill limits the amount of the loans to \$5,000, except that a home equity loan of up to \$25,000 may be given to a veteran. The home equity loan must be secured by a mortgage. Under the bill, DVA may prescribe loan conditions, including the interest rate and maximum amount of the loan, but the term of the loan may not exceed ten years. The bill requires DVA to service the loans and include in the interest rate an amount necessary to pay for servicing costs and an insurance reserve to cover losses due to defaults on the loans.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

2 SECTION 1. 20.485 (2) (qm) of the statutes is created to read:

1 20.485 (2) (qm) *Home equity personal loans*. As a continuing appropriation, the
2 amounts in the schedule for the provision of home equity loans to veterans under s.
3 45.356 (2m).

****NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

4 **SECTION 2.** 20.485 (2) (qs) of the statutes is created to read:

5 20.485 (2) (qs) *Home equity personal loan repayments*. All moneys received as
6 repayments of home equity loans to veterans under s. 45.356 (2m) to repay the
7 veterans mortgage loan repayment fund and to provide home equity loans to
8 veterans under s. 45.356 (2m).

***NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

9 **SECTION 3.** 45.356 (2) of the statutes is amended to read:

10 45.356 (2) The department may lend a veteran, a veteran's unremarried
11 surviving spouse, or a deceased veteran's child not more than \$25,000 \$5,000 or a
12 lesser amount established by the department under sub. (10).

13 (2g) The department may prescribe loan conditions, but the term of the loan
14 is or a shorter term established by the department under (13) may not exceed 10 years. The department shall ensure that the proceeds of any loan sub. (13)
15 made under this section shall first be applied to pay any delinquent child support or
16 maintenance payments and then to pay any past support, medical expenses, or birth
17 expenses.

18 **SECTION 4.** 45.356 (2m) of the statutes is created to read:

19 45.356 (2m) The department may lend a veteran not more than \$25,000 based
20 on the veteran's equity in his or her residence as security for the loan. The
21 department shall service the loans made under this subsection and shall include in
22 the interest rate an amount necessary to pay for servicing costs and an insurance

1 reserve to cover losses due to defaults on these loans. Loans may be made under this
2 subsection only if the loans may be sold to another agency under sub. (9) (b) or funded
3 from moneys borrowed under sub. (9) (a).

4 **SECTION 5.** 45.356 (3) of the statutes is amended to read:

5 45.356 (3) The department may lend not more than ~~\$25,000~~ \$5,000, or a lesser
6 amount established by the department under sub. (10), to a veteran's remarried
7 surviving spouse or to the parent of a deceased veteran's child for the education of
8 a child.

9 **SECTION 6.** 45.356 (8) of the statutes is amended to read:

10 45.356 (8) No person may receive a loan under this section in an amount that,
11 when added to the balance outstanding on the person's existing loans under s. 45.351
12 (2), 1995 stats., and s. 45.356, 1995 stats., would result in a total indebtedness to the
13 department of more than ~~\$25,000~~ \$5,000.

14 **SECTION 7.** 45.356 (11) of the statutes is repealed and recreated to read:

15 45.356 (11) The interest rate for loans under this section shall be 6 percent per
16 year.

17 **SECTION 8.** 45.356 (12) of the statutes is amended to read:

18 45.356 (12) Each loan made under this section, ~~except a loan of \$5,000 or less~~
19 ~~made to an applicant whose total indebtedness for loans made under this section is~~
20 ~~\$5,000 or less, shall be evidenced by a promissory note and secured by a mortgage~~
21 ~~on real estate located in this state. A loan of \$5,000 or less made to an applicant~~
22 ~~whose total indebtedness for loans made under this section is \$5,000 or less shall be~~
23 ~~evidenced by a promissory note and secured by a guarantor or by a mortgage on real~~
24 ~~estate located in this state. A mortgage securing a loan made under this section is~~

- 1 acceptable if the applicant has equity in the property subject to the mortgage equal
2 to or exceeding a minimum amount that the department establishes by rule.

3

(END)

insert

45.356
Section ~~2~~ 45.365 (13) is created to read:

45.356 (13) Subject to the limit established in sub. (2), the department may periodically adjust the maximum term limits for loans based upon financial market conditions, funds available, needs of the veterans trust fund, or other factors that the department considers relevant.

eligibility for educational benefits, health care aid grants and subsistence aid grants for ^{surviving} spouses or dependents of veterans who died while on active duty.
 600 45.75 (9)

-----Original Message-----

From: Caucutt, Dan
Sent: Friday, January 21, 2005 11:07 AM
To: Nelson, Robert P.
Subject: FW: Amendments to Veterans draftse

Robert: I apologize for not including the item immediately below, which I sent over to you yesterday.

Veterans Museum Funding on GPR (new draft) create a new annual GPR appropriation for operation of the veterans museum.

-----Original Message-----

From: Caucutt, Dan
Sent: Friday, January 21, 2005 10:50 AM
To: Nelson, Robert P.
Subject: Amendments to Veterans draftse



DOA LRB
memo__1.doc

Robert:

We met with the Governor this morning and have final decisions.

Educational Grant Program

The letter above modifies LRB 0328 P1 and the **EGP**. The changes proposed in this letter should be incorporated into the draft.

* A new item which should be incorporated into the Grant Program is a provision that modifies the 10 year delimiting period for using the educational benefit. The change allows a veteran to retain or carry beyond the 10 year limit up to 60 credits for which the veteran is eligible.

Also, ~~please add a provision to give the DVA secretary~~ authority to adjust the reimbursement percentage for education grants except for disabled veterans.

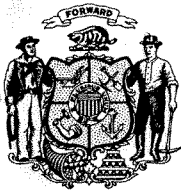
Personal Loan Program. Two Changes from current law only:

Section 1. 45.356 (2) of the statutes is amended to read:

✓ 45.356 (2) The department may lend a veteran , a veteran's unremarried surviving spouse, or a deceased veteran's child not more than \$25,000, or a lesser amount established by the department under sub. (10). The department may prescribe loan conditions, but the term of the loan may not exceed 10 years, or a shorter term established by the department under sub. (13). The department shall ensure that the proceeds of any loan made under this section shall first be applied to any delinquent child support or maintenance payments and then to pay any past support, medical expenses, or birth expenses.

Section 2. 45.365 (13) is created to read:

✓ 45.365 (13) Subject to the limit established in sub. (2), the department may periodically adjust the maximum term limits for loans based upon financial market conditions, funds available, needs of the veterans trust fund, or other factors that the department considers relevant.



State of Wisconsin
2005 - 2006 LEGISLATURE

LRB-0324/2
RPN:jld&kjf:ch

3
stays

DOA:.....Caucutt, BB0105 - Personal loan program

FOR 2005-07 BUDGET -- NOT READY FOR INTRODUCTION

adjust the maximum terms of the loans based upon a financial market conditions, funds available, needs of the trust fund, and other relevant factors.

Do Not Gen

allows

1 AN ACT ...; relating to: the budget.

Analysis by the Legislative Reference Bureau

VETERANS AND MILITARY AFFAIRS

Under current law, DVA may lend a veteran, a veteran's unremarried surviving spouse, or a deceased veteran's child up to \$25,000. The use of the loan is not restricted, but the loan must be repaid within ten years. If the loan exceeds \$5,000, the loan must be secured by a mortgage on real estate located in this state.

This bill limits the amount of the loans to \$5,000, except that a home equity loan of up to \$25,000 may be given to a veteran. The home equity loan must be secured by a mortgage. Under the bill, DVA may prescribe loan conditions, including the interest rate and maximum amount of the loan, but the term of the loan may not exceed ten years, unless adjusted by the department. The bill requires DVA to service the loans and include in the interest rate an amount necessary to pay for servicing costs and an insurance reserve to cover losses due to defaults on the loans.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

2 SECTION 1. 20.485 (2) (qm) of the statutes is created to read:

1 20.485 (2) (qm) *Home equity personal loans*. As a continuing appropriation, the
2 amounts in the schedule for the provision of home equity loans to veterans under s.
3 45.356 (2m).

****NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

4 **SECTION 2.** 20.485 (2) (qs) of the statutes is created to read:

5 20.485 (2) (qs) *Home equity personal loan repayments*. All moneys received as
6 repayments of home equity loans to veterans under s. 45.356 (2m) to repay the
7 veterans mortgage loan repayment fund and to provide home equity loans to
8 veterans under s. 45.356 (2m).

****NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

9 **SECTION 3.** 45.356 (2) of the statutes is amended to read:

10 45.356 (2) The department may lend a veteran, a veteran's ^{plain}unremarried
11 surviving spouse, or a deceased veteran's child not more than ~~\$25,000~~ ~~\$5,000~~ or a
12 lesser amount established by the department under sub. (10).

13 ~~no #~~ ~~(2g)~~ The department may prescribe loan conditions, but the term of the loan
14 may not exceed 10 years, or a shorter term established by the department under sub.
15 (13). The department shall ensure that the proceeds of any loan made under this
16 section shall first be applied to pay any delinquent child support or maintenance
17 payments and then to pay any past support, medical expenses, or birth expenses.

18 **SECTION 4.** 45.356 (2m) of the statutes is created to read:

19 45.356 (2m) The department may lend a veteran not more than \$25,000 based
20 on the veteran's equity in his or her residence as security for the loan. The
21 department shall service the loans made under this subsection and shall include in
22 the interest rate an amount necessary to pay for servicing costs and an insurance

1 reserve to cover losses due to defaults on these loans. Loans may be made under this
2 subsection only if the loans may be sold to another agency under sub. (9) (b) or funded
3 from moneys borrowed under sub. (9) (a).

4 **SECTION 5.** 45.356 (3) of the statutes is amended to read:

5 45.356 (3) The department may lend not more than ~~\$25,000~~ \$5,000, or a lesser
6 amount established by the department under sub. (10), to a veteran's remarried
7 surviving spouse or to the parent of a deceased veteran's child for the education of
8 a child.

9 **SECTION 6.** 45.356 (8) of the statutes is amended to read:

10 45.356 (8) No person may receive a loan under this section in an amount that,
11 when added to the balance outstanding on the person's existing loans under s. 45.351
12 (2), 1995 stats., and s. 45.356, 1995 stats., would result in a total indebtedness to the
13 department of more than ~~\$25,000~~ \$5,000.

14 **SECTION 7.** 45.356 (11) of the statutes is repealed and recreated to read:

15 45.356 (11) The interest rate for loans under this section shall be 6 percent per
16 year.

17 **SECTION 8.** 45.356 (12) of the statutes is amended to read:

18 45.356 (12) Each loan made under this section, ~~except a loan of \$5,000 or less~~
19 ~~made to an applicant whose total indebtedness for loans made under this section is~~
20 ~~\$5,000 or less, shall be evidenced by a promissory note and secured by a mortgage~~
21 ~~on real estate located in this state. A loan of \$5,000 or less made to an applicant~~
22 ~~whose total indebtedness for loans made under this section is \$5,000 or less shall be~~
23 ~~evidenced by a promissory note and secured by a guarantor or by a mortgage on real~~
24 ~~estate located in this state. A mortgage securing a loan made under this section is~~

SECTION 8

1 acceptable if the applicant has equity in the property subject to the mortgage equal
2 to or exceeding a minimum amount that the department establishes by rule.

3 **SECTION 9.** 45.356 (13) of the statutes is created to read:

4 45.356 (13) Subject to the limit established in sub. (2), the department may
5 periodically adjust the maximum term limits for loans based upon financial market
6 conditions, funds available, needs of the veterans trust fund, or other factors that the
7 department considers relevant.

8 (END)



State of Wisconsin
2005 - 2006 LEGISLATURE

LRB-0324/3
RPN:jld&kjfrs

DOA:.....Caucutt, BB0105 - Personal loan program

FOR 2005-07 BUDGET -- NOT READY FOR INTRODUCTION

1 **AN ACT ...; relating to:** the budget.

Analysis by the Legislative Reference Bureau

VETERANS AND MILITARY AFFAIRS

Under current law, DVA may lend a veteran, a veteran's unremarried surviving spouse, or a deceased veteran's child up to \$25,000. The use of the loan is not restricted, but the loan must be repaid within ten years. If the loan exceeds \$5,000, the loan must be secured by a mortgage on real estate located in this state.

Under the bill, the term of the loan may not exceed ten years, unless adjusted by the department. The bill allows DVA to adjust the maximum terms of the loans based upon financial market conditions, funds available, needs of the trust fund, and other relevant factors.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

2 **SECTION 1.** 45.356 (2) of the statutes is amended to read:

3 45.356 (2) The department may lend a veteran, a veteran's unremarried
4 surviving spouse, or a deceased veteran's child not more than \$25,000 or a lesser

1 amount established by the department under sub. (10). The department may
2 prescribe loan conditions, but the term of the loan may not exceed 10 years, or a
3 shorter term established by the department under sub. (13). The department shall
4 ensure that the proceeds of any loan made under this section shall first be applied
5 to pay any delinquent child support or maintenance payments and then to pay any
6 past support, medical expenses, or birth expenses.

7 **SECTION 2.** 45.356 (13) of the statutes is created to read:

8 45.356 (13) Subject to the limit established in sub. (2), the department may
9 periodically adjust the maximum term limits for loans based upon financial market
10 conditions, funds available, needs of the veterans trust fund, or other factors that the
11 department considers relevant.

12 (END)